

# Other Funds Overview

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### **OTHER FUNDS OVERVIEW**

Other Funds reflect programs, services, and projects funded from non-General Fund revenue sources or a mix of General Fund and non-General Fund sources. These sources include Federal or State grants, specific tax districts, proceeds from the sale of bonds, and user fees and charges. Included are the following categories of Other Funds:

- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds
- Enterprise Funds
- Internal Service Funds
- Trust and Agency Funds

FY 2001 expenditures for Other Funds total \$2,763,154,502 (excluding General Fund direct expenditures), and reflect a decrease of \$522,533,491 or 15.9 percent from the *FY 2000 Revised Budget Plan* funding level of \$3,285,687,993. This decrease is primarily due to the effect of significant carryover for capital construction projects and should not be perceived as a major change to programs or operations.

Excluding adjustments in FY 2000, expenditures increase \$250,665,898 or 10.0 percent over the *FY 2000 Adopted Budget Plan* of \$2,512,488,604. This change is attributable to increases of \$163.5 million in Special Revenue Funds, \$11.0 million in Debt Service Funds, \$72.1 million in Capital Funds, \$17.8 million in Internal Service Funds, and \$21.8 million in Trust and Agency Funds, partially offset by a decrease of \$35.5 million in Enterprise Funds.

The following is a brief discussion of highlights and major issues associated with the various funds. Not included in these discussions are Capital Projects Funds, which are presented in the Capital Projects Overview, and Special Revenue funding for Schools, which is discussed in the *Fairfax County Public Schools FY 2001 Adopted Budget*. A complete discussion of funding and program adjustments in Other Funds is found in Volume 2, Capital Construction and Other Operating Funds of the *FY 2001 Adopted Budget Plan*.

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds account for the proceeds from specific sources that are legally restricted to expenditures for a specific purpose. These proceeds include State and Federal aid, income derived through activities performed by the Division of Solid Waste, special levies, program activity revenue, and operation of the public school system. The following are highlights for various special revenue funds. Details for other funds not shown here are included in Volume 2, Capital Construction and Other Operating Funds of the *FY 2001 Adopted Budget Plan*.

In FY 2001, Special Revenue Funds expenditures total \$1,743,083,546, a decrease of \$61,219,221 or 3.4 percent from the *FY 2000 Revised Budget Plan* funding level of \$1,804,302,767. Excluding adjustments in FY 2000, expenditures increase by \$163,469,903 or 10.4 percent over the *FY 2000 Adopted Budget Plan* level of \$1,579,613,643.

**Fund 090, Public School Operating:** The Board of Supervisors approved a General Fund transfer to the Fairfax County Public Schools (FCPS) of \$985,231,488 for FY 2001. The transfer reflects an increase of \$87,818,883 or 9.8 percent over the *FY 2000 Revised Budget Plan* transfer of \$897,412,605, and reflects an increase of \$25,000,000 over the *FY 2001 Advertised Budget Plan* transfer amount.

**Fund 100, County Transit Systems:** This fund, which includes an FY 2001 funding level of \$21.1 million, addresses the operating and capital expenses of the FAIRFAX CONNECTOR bus system consisting of the Huntington Community Bus Service, and the Reston-Herndon divisions. Ridership is expected to increase by 5 percent over the FY 2000 level, to a total of 5,600,000 passengers transported. This fund also includes the County's share of commuter rail services operated by the Virginia Railway Express (VRE).

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**Fund 102, Federal/State Grant Fund:** This fund includes both grant awards already received as well as those anticipated to be received in FY 2001, for a total appropriation of approximately \$39.6 million including \$30.4 million held in reserve until the grant award is received and approved by the Board of Supervisors. The breakdown of grant funding by agency includes \$20.4 million for the Department of Family Services, \$3.6 million for the Fire and Rescue Department, \$1.6 million for the Health Department, \$1.5 million for the Department of Transportation, \$1.0 million for the Police Department, and \$1.2 million for various agencies. Another \$1.1 million is to address unanticipated grants. The remaining \$9.2 million is for FY 2001 grant awards that are appropriated directly to the Police Department for the Community-Oriented Policing (COPS) Universal Hiring Program and the Fire and Rescue Department for Urban Search and Rescue activities.

**Fund 103, Aging Grants and Programs:** Expenditures of approximately \$3.5 million are anticipated for this fund in FY 2001 to coordinate and provide services for older persons in Fairfax County, as well as the cities of Fairfax and Falls Church. Funding of \$0.5 million and 1/1.0 SYE position were previously included for this fund in the FY 2001 Advertised Budget Plan for the Senior Transportation Initiative to improve the marketing of public transit services to seniors, establish a hotline to answer questions about transportation options in the County, improve coordination between transit planning and public transit entities, develop a network of volunteers and organizations to provide transportation to seniors, establish a Pilot Taxicab Voucher Program to subsidize costs, and establish a pilot to expand the FASTRAN Dial-a-Ride Program. However, as part of the FY 2001 Add-On Process, the Board of Supervisors transferred that function and funding to the Department of Transportation.

**Fund 104, Information Technology:** FY 2001 project funding totals \$20.0 million. Major projects include \$2.1 million for Human Services initiatives to replace a 25-year-old payment system as well as automate manual processes and integrate applications for more efficient and effective client services. FY 2001 funding of \$2.2 million is also included to complete the remainder of zoning applications as well as improve the existing Zoning and Planning System. A number of other projects totaling \$15.7 million were funded based on this year's investment priorities of information technology projects that support the business goals of a customer focus, financial focus, and internal business process focus. The FY 2001 Advertised Budget Plan recommended funding level was \$25.3 million for Fund 104. However, the General Assembly's mandate that E-911 revenues and expenditures be segregated in a separate fund resulted in the creation of Fund 120, E-911, which includes \$5.3 million for public safety communications information technology projects that were previously included in this fund.

**Fund 105, Cable Communications:** This fund has a projected FY 2001 appropriation level of \$12.5 million. Included in this amount is \$0.4 million to continue outside legal, financial, and engineering consultant services to assist with the implementation of the new franchise agreements with one of the County's cable companies, as well as for the regulation of the new telecommunication technologies addressed by the Telecommunications Act of 1996. Coincident with the beginning of the new franchise period, the incumbent cable operator will be transitioning from a pure coaxial analog television system to either a hybrid fiber optic-coaxial or full fiber optic system utilizing a mix of analog and digital signals. The transition will have a significant impact on the operation of the County's subscriber system and the I-Net. The County began paying for the I-Net (Institutional Network) in FY 1999. In FY 2000 and FY 2001, an estimated \$4.2 million will be paid each fiscal year to Cox Communications to continue the installation of the I-Net. In addition, approximately \$2.4 million will be needed for equipment in FY 2001 to connect 50 additional County and School sites to the I-Net for video and data services, and \$1.4 million is included for the internal wiring for County buildings. Significant savings and increased communication capacity between County and School sites will result from the implementation of the I-Net.

**Fund 106, Fairfax-Falls Church Community Services Board:** FY 2001 expenditures for this fund total of \$96.5 million and are funded by a Fairfax County transfer of \$65.8 million, as well as State, Federal, Fairfax City, Falls Church City, and client fees. Major highlights for FY 2001 include \$1.3 million to provide vocational, case management, and transportation services to 87 new special education graduates of the Fairfax County Public Schools. Of this amount, \$0.9 million is to purchase various vocational services for the graduates and \$0.4 million is to provide FASTRAN transportation services to 53 of the 87 graduates as well as establish 1/1.0 SYE Mental Health Therapist I position to coordinate services and provide counseling and other individualized guidance and assistance. An increase of \$0.4 million and 8/8.0 SYE positions are included to expand school-based youth and family substance abuse programs including the Prevention Resiliency Program to all alternative high schools. In addition, \$0.2 million and 3/3.0 SYE positions were also approved by the Board of Supervisors to provide early intervention services to infants and their families in "natural environments" as required by new provisions in the Individuals with Disabilities Education Act (IDEA) Part C.

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**Fund 110, Refuse Disposal:** The County's current refuse disposal system fee of \$45 per ton will remain the same in FY 2001; however, the discounted rate for haulers guaranteeing a specified amount of tonnage or that the tonnage it collects within the County would be delivered to the Energy Resource Recovery Facility or other County facilities, will be decreased from \$36 per ton to \$34 per ton in FY 2001. The Citizen's Disposal Facilities (CDF) fee will increase from \$2 to \$3 for 1-4 bags of refuse, while those citizens having in excess of 4 bags will be charged based on the number of pounds prorated by the refuse system fee of \$45 per ton. In addition, beginning in FY 2001, CDF users will be charged \$1 per white good (refrigerator, stove, etc.) disposed of at County facilities.

**Fund 114, I-95 Refuse Disposal:** This fund is responsible for the overall operation of the I-95 Landfill, which is a multi-jurisdictional refuse deposit site dedicated to the disposal of ash generated primarily by the County's Energy Resource Recovery Facility. The agency, in conjunction with the I-95 Technical Review Committee, has proposed a reduction in the disposal fee for FY 2001, from \$14.00 per ton to \$11.50 per ton, which will still meet future reserve requirements. As a result of this reduction, Fund 112, Energy Resource Recovery (ERR) Facility, which pays Fund 114 for ash disposal, will be able to maintain its tip fee for incineration at the current rate of \$28 per ton. This allows the agency more flexibility in negotiating competitive disposal rates within various disposal markets in order to attract more tonnage to the ERR Facility and meet the Guaranteed Annual Tonnage as part of the contract with Ogden Martin, the Facility's operator.

**Fund 116, Forest Integrated Pest Management Program (formerly Gypsy Moth Suppression Program):** Expenditures for this fund are projected at \$0.9 million for FY 2001. This funding level will not only address treatment of an estimated 5,000 acres to combat the gypsy moth, but will allow the program to treat other pests such as the fall cankerworm, the population of which has been steadily increasing. Since the General Assembly approved the use of this special tax district funding to address other pests, Fairfax County will fund the treatment of cankerworms and other pests in addition to the gypsy moth effective July 1, 2000. FY 2001 funding needs require the reinstitution of this Countywide tax levy at the rate of \$0.00096 per \$100 of assessed value, or an average of \$1.98 per home annually to address gypsy moth and other pest treatment.

**Fund 118, Consolidated Community Funding Pool:** This fund was established in FY 1998 to provide a competitive process to fund services best provided by community-based agencies and organizations, many of which were previously funded through a contribution or contract with an individual County agency. These programs are required to identify and track program outcome measures, leverage County funding through outside sources, and demonstrate cooperation and/or collaboration with other organizations to minimize duplication or achieve efficiencies in service delivery or administration. FY 2001 will be the second year of a consolidated process of setting priorities and awarding funds from both the Consolidated Community Funding Pool and the Community Development Block Grant (CDBG) processes. FY 2001 also represents the first year that awards will be for a two-year period, with \$5.8 million available through this fund. This represents an increase of \$550,380 or 10.4 percent over the FY 2001 Advertised Budget Plan.

**Fund 119, Contributory Fund:** This fund is newly established for FY 2001 to reflect General Fund support for contributory agencies since expenditures made for these organizations are not typically in direct support of County operations and are more appropriately reflected in a separate fund. Funding for all Contributory Agencies is reviewed annually, and the organizations must provide quarterly and annual financial reports to document their financial status. The FY 2001 recommended funding level is \$6.0 million, with details of the organizations' funding in Volume 2 of the FY 2001 Adopted Budget Plan.

**Fund 120, E-911:** This fund was created as part of the FY 2001 Add-On Process to satisfy the General Assembly requirement that E-911 revenues and expenditures be accounted for separately. Prior to FY 2001, E-911 fees were reflected in the General Fund and Fund 104, Information Technology. Fund 120, E-911, will recognize revenue from E-911 fees and Commonwealth reimbursement associated with Wireless E-911. All expenditures directly associated with the Public Safety Communications Center (PSCC) will continue to be reflected in the Police Department's budget and will be billed to this fund. In addition, Information Technology projects associated with the PSCC will be budgeted in this fund. A General Fund Transfer will cover any difference between revenues and expenditures in this fund. In FY 2001, the General Fund Transfer is \$1,912,445 in addition to revenues of \$16,316,901 to address \$18,229,346 in expenditures.

Complete details of all Special Revenue Funds are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2001 Adopted Budget Plan.

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### **DEBT SERVICE FUNDS**

There are two debt service funds – **Fund 200, County Debt Service** and **Fund 201, School Debt Service**. These funds account for the accumulation of resources for, and the payment of debt service on general obligation bonds of the County and Schools, and for special revenue bond debt service.

FY 2001 Debt Service expenditures total \$195,586,814, an increase of \$9,588,968 or 5.2 percent over the *FY 2000 Revised Budget Plan* level of \$185,997,846. Funding includes \$189,918,124 from the General Fund, \$27,000 in revenue from Fairfax City, \$121,050 from Small District #1, Dranesville (McLean Community Center), \$2,960,000 in available balances for full-year debt service funded by the School Board on the additional \$30,000,000 in School bonds approved by the Board of Supervisors for FY 2000, \$750,000 from the Schools for an additional \$30,000,000 in School bonds requested for FY 2001, and \$1,810,640 in fund balances from savings in FY 2000.

This funding level provides for the retirement of County and School general obligation bond and literary loan debt principal and interest due and payable in FY 2001 as well as lease/purchase payments for the Government Center Properties and fiscal agent fees. It also includes sufficient funding for a School bond sale of \$80,000,000 and a County bond sale of approximately \$15,000,000 in the Fall of 2000 at an interest rate of 5.75 percent.

Included in the FY 2001 funding is an amount of \$8,775,296 for the lease costs associated with the acquisition of the Community Development Center (Herrity Building) and the Human Services Center (Pennino Building). Also included is an amount of \$997,530 for payments for the Fairfax County Redevelopment and Housing Authority (FCRHA) Community Center Lease Revenue bonds for leases associated with the Mott, Gum Springs, and Baileys Community Centers, as well as the Herndon Harbor Adult Day Care Center. In addition, \$121,050 is included for Debt Service on the McLean Community Center.

Complete details of the Debt Service Funds are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2001 Adopted Budget Plan.

### **ENTERPRISE FUNDS**

Fairfax County's Enterprise Funds consist of seven funds within the Integrated Sewer System, which account for the construction, maintenance, and operation of the Countywide sewer system. The cost of providing sewer service to County citizens and businesses is financed or recovered primarily from user charges.

FY 2001 Enterprise Funds expenditures total \$136,910,109, a decrease of \$143,540,270 or 51.2 percent from the *FY 2000 Revised Budget Plan* level of \$280,450,379 primarily due to the carryover of FY 1999 funds. Excluding those FY 2000 funding adjustments, expenditures decrease \$35,510,258 or 20.6 percent from the FY 2000 Adopted Budget Plan level of \$172,420,367. Furthermore, excluding capital and extension projects from Fund 402, Sewer Construction Improvements and Fund 408, Sewer Bond Construction, in both fiscal years, as well as current year one-time adjustments, the FY 2001 funding totals \$89,614,183, an increase of \$2,668,816 or 3.1 percent over the FY 2000 Adopted Budget Plan level of \$86,945,367. The expenditure increase in FY 2001 is primarily attributable to the County's share of principal and interest payments for the Upper Occoquan Sewage Authority (UOSA) plant's processing capability from 32 to 54 million gallons per day.

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In FY 2001, Availability Fees will increase by 6.0 percent based on current projections of capital requirements. The Availability Fee for all types of units is adjusted based on continued increases in expenses associated with treatment plant upgrades and interjurisdictional payments that result from population growth, more stringent treatment requirements, and inflation. The FY 2001 rates are in line with those projected in the original five-year schedule previously approved by the Board of Supervisors. The following table displays the rates by category:

Category	FY 2000 Availability Fee	FY 2001 Availability Fee
Single Family	\$4,621	\$4,898
Townhomes, Apartments, and Mobile Home Trailers	\$3,697	\$3,919
Hotels/Motels	\$1,155	\$1,224
Non-Residential	\$239	\$253

The Sewer Service Charge will increase by 4.1 percent, from \$2.70 to \$2.81 per 1,000 gallons of water consumption in FY 2001. This increase is consistent with the Forecasted Financial Statement and is primarily due to construction activity.

Complete details of the Enterprise Funds, which comprise the Integrated Sewer System, are found in Volume 2, Capital Construction and Other Operating Funds of the FY 2001 Adopted Budget Plan.

### ***INTERNAL SERVICE FUNDS***

Internal Service Funds account for services commonly used by most agencies, and for which centralized organizations have been established in order to achieve economies of scale necessary to minimize costs. These internal agencies provide services to other agencies on a cost reimbursement basis. Such services consist of vehicle operations, maintenance, and replacement; insurance coverage (health, workers compensation, automobile liability, and other insurance); data communications and processing; document services; and central acquisition of commonly used supplies and equipment. It should be noted that where possible without degradation of quality, joint County and School service delivery (printing and vehicle maintenance) or joint procurement (health insurance) activities are conducted in order to achieve economies of scale and to minimize costs.

FY 2001 Internal Service expenditures total \$183,259,969, a decrease of \$14,066,627 or 7.1 percent from the *FY 2000 Revised Budget Plan* level of \$197,326,596. Excluding adjustments in FY 2000, expenditures increase \$17,760,308 or 10.7 percent over the FY 2000 Adopted Budget Plan of \$165,499,661, which is primarily attributable to increases in School-specific services of \$6,684,570 and County-specific services of \$4,290,325, as well as an increase in joint County-School services totaling \$6,785,413.

The increase of \$6.7 million in School-specific services is primarily attributable to the following:

- **Fund 590, Public Schools Insurance Fund:** An increase of \$0.2 million is due to increases in anticipated worker compensation expenses and the accrued liability on outstanding claims.
- **Fund 591, School Health Benefits Trust:** The increase of \$6.5 million is based on medical care costs and growth anticipated for FY 2001 based on prior year actual experience.

The increase of \$4.3 million in County services is primarily attributable to:

- **Fund 500, Retiree Health Benefits:** The increase of \$1.1 million is associated with an increase in the number of beneficiaries and the full year funding of the \$40 per month increase in the benefit subsidy, from \$60 to \$100.

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- **Fund 501, County Insurance:** Expenditures for this fund are decreased \$0.5 million, primarily due to a decrease in anticipated indemnity payments and medical expenses for worker compensation claims resulting from improved rehabilitation services for workers injured on job.
- **Fund 502, County Central Stores:** An expenditure decrease of \$1.7 million in this fund is primarily due to the change in policy which lets agencies purchase directly from the central office supplies vendor contract, rather than through this fund.
- **Fund 505, Technology Infrastructure Services:** This fund's expenditures are increased \$1.7 million chiefly due to software maintenance contracts as well as mainframe and operating system upgrades.
- **Fund 506, Health Benefits Trust Fund:** An increase of \$3.7 million is associated with a 15 percent premium increase.

The increase of \$6.7 million in joint County-School services is primarily attributable to:

- **Fund 503, Department of Vehicle Services:** An increase of \$4.5 million is primarily due to an increase for vehicle replacement including five pieces of Fire and Rescue Department large apparatus for \$2.0 million and one Police Department helicopter for \$2.1 million, as well as increased fuel costs of \$0.4 million based current and anticipated prices for gasoline and diesel fuel.
- **Fund 504, Document Services Division:** Expenditures for this fund are increased \$2.2 million primarily due to the program to replace outdated copy machines with state-of-the-art digital equipment that will result in energy and cost per copy savings.

### ***TRUST AND AGENCY FUNDS***

Trust and Agency funds account for assets held by the County in a trustee or agency capacity and include the four pension trust funds administered by the County and Schools. The Agency fund is Fund 700, Route 28 Taxing District, which is custodial in nature and is maintained to account for funds received and disbursed by the County for various governmental agencies and other organizations.

FY 2001 Trust and Agency funds combined expenditures total \$233,036,754, an increase of \$17,034,596 or 7.9 percent over the *FY 2000 Revised Budget Plan* funding level of \$216,002,158. Excluding adjustments in FY 2000, combined Trust Fund and Agency Funds expenditures increase \$21,842,714 or 10.3 percent over the FY 2000 Adopted Budget Plan level of \$211,194,040.

This increase is primarily due to increases in the four retirement funds as a result of growth in the number of retirees receiving payment. It is also based on higher payments due to cost-of-living increases.

Complete details of the Trust and Agency funds are found in Volume 2, Capital Construction and Other Operating Funds of the *FY 2001 Adopted Budget Plan*. In addition, details of the Educational Employees Retirement Fund may be found in the Fairfax County Public Schools FY 2001 Adopted Budget.